## State of Idaho

## DEPARTMENT OF INSURANCE

C.L. "BUTCH" OTTER
Governor

700 West State Street, 3rd Floor P.O. Box 83720 Boise, Idaho 83720-0043 Phone (208)334-4250 FAX # (208)334-4398 WILLIAM W. DEAL Director

## **NEWS RELEASE**

FOR IMMEDIATE RELEASE

July 22, 2009

CONTACT: Tricia Carney 208-334-4312 tricia.carney@doi.idaho.gov cell 208-850-2342

## **New Life Settlements Legislation in Effect**

Increased transparency in place to protect consumers

BOISE ID (July 22, 2009) – The Idaho Legislature passed legislation proposed by the Idaho Department of Insurance which will help to protect vulnerable consumers from selling their life insurance policies without adequate information. The new Life Settlements Act went into effect July 1, 2009.

"This legislation puts in place specific licensing, registration and disclosure requirements. Consumers will receive information about the value of offers, fees paid to life settlement brokers and the contractual arrangements. This level of transparency is needed in our unstable economy when people may feel pressed to sell life insurance policies for their cash value," said Bill Deal, Department Director.

A life settlement is the sale of a life insurance policy to a third party. The owner of a life insurance policy gets cash for the policy. The buyer then becomes the new owner and pays all future premiums and collects the entire death benefit when the insured dies.

Consumers should research all options when considering the sale of a life insurance policy. The Department of Insurance has prepared an informative brochure that can answer many questions consumers may have. The brochure also provides consumers with questions they should ask prospective buyers.

The brochure is available on the Department's Web site, <a href="www.doi.idaho.gov">www.doi.idaho.gov</a>. Consumers are encouraged to contact the Department with any questions they may have about life settlements or other insurance-related issues. Call 334-4250 in Boise, or 800-721-3272 toll free statewide.